

News Release



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U.S. Labor Department Obtains Judgment to Restore Delinquent Employee Contributions to Carmel, Indiana 401(k) and Health Plans

CINCINNATI, Ohio -- The U.S. Department of Labor has obtained a default judgment holding the owners of Leatherite/Nylorite Manufacturing Inc., Carmel, Ind., liable for \$21,454.99 in delinquent employee contributions and interest not remitted to the company's 401(k) and health plans.

Under the judgment, Roger Ward and Joan Ward are also permanently barred from serving as fiduciaries to any employee benefit plan covered by the Employee Retirement Income Security Act (ERISA). The judgment, entered in federal district court in Indianapolis, also names an independent fiduciary to administer the health care plan and disburse its assets to entitled participants and beneficiaries.

"Trustees of a 401(k) plan or health plan have a responsibility to ensure that workers receive the benefits for which they are paying. One of the most important responsibilities is remitting money from workers' wages for their 401(k) accounts or health premiums on time," said Joseph Menez, director of the Cincinnati regional office of the Employee Benefits Security Administration (EBSA), which investigated the case.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the program requires employers to correct violations of the law, but allows them to avoid EBSA enforcement actions and civil penalties as well as applicable excise taxes. For more information about the VFCP see www.dol.gov/ebsa.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach EBSA's Cincinnati regional office at 859-578-4680 or through EBSA's toll free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans.

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(Chao v. Ward)
Civil Action No. 1:04cv1913-JDT-WTL

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